
The Parliament of the Commonwealth of Australia

Report 457
Development of the
Commonwealth
Performance Framework –
Second Report

Joint Committee of Public Accounts and Audit

May 2016
Canberra

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Foreword

The Committee's Inquiry into the Development of the Commonwealth Performance Framework constitutes the Committee's second report into its oversight of the Department of Finance's (Finance) development and advancement of the Public Management Reform Agenda (PMRA), following the passage of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

This report also addresses the Committee's consideration of the two new PGPA Rules that outline the required content of Commonwealth corporate and non-corporate entity Annual Reports. It marks the first time the Committee has considered the Annual Report Rules for corporate Commonwealth entities.

The Committee has reviewed and approved both Rules.

The Committee will continue to oversee the development of the PMRA, and anticipates a broader discussion about enhancing the Rules for both corporate and non-corporate entities next year.

I would like to thank my fellow Committee Members for their assistance in the inquiry and acknowledge the support of the Secretariat. I would also like to thank the Department of Finance and the Australian National Audit Office for their focused engagement during the Committee's inquiry.

Hon Ian Macfarlane MP
Chair



Membership of the Committee

Chair Hon Ian Macfarlane MP

Deputy
Chair Mr Pat Conroy MP

Members Hon Anthony Albanese MP

Ms Gai Brodtmann MP

Mr Andrew Giles MP

Dr David Gillespie (from 19 Oct 2015)

Dr Peter Hendy MP (to 12 Oct 2015)

Mr Craig Laundry MP

Mrs Jane Prentice MP

Mr Angus Taylor MP

Mr Ken Wyatt MP (to 12 Oct 2015)

Senator Cory Bernardi

Senator Katy Gallagher (until 12 Nov 15)

Senator Chris Ketter

Senator Jenny McAllister (from 12 Nov 15)

Senator Bridget McKenzie

Senator Dean Smith

Committee Secretariat

Secretary	Mr David Brunoro
Research Officer	Mr Shane Armstrong
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Terms of reference

On 26 March 2015, the Joint Committee of Public Accounts and Audit resolved to inquire into and report on the development of the Commonwealth Performance Framework to ensure an effective, integrated performance management system that continues to improve accountability to the Parliament and the public, with particular reference to:

- enhancing the effectiveness of key performance information under the framework, including:
 - performance measures that both foreshadow and subsequently assess the impact of government programs
 - criteria that performance information must satisfy, to enable performance comparisons across Commonwealth entities and ensure auditable performance information
 - reporting of high level, quantitative key performance information across Australian government
- enhancing the effectiveness of performance documentation under the framework, including annual reports, corporate plans and Portfolio Budget Statements
- enhancing the effectiveness of the Public Governance, Performance and Accountability Act 2013 rule and Department of Finance Resource Management Guides for the Commonwealth performance framework
- Commonwealth entity requirements concerning implementation of the performance framework
- Australian and international models
- any other relevant matters



List of recommendations

Recommendation 1

To facilitate prompt and thorough engagement with the Public Management Reform Agenda by the Joint Committee of Public Accounts and Audit of the 45th Parliament, the Committee recommends that the Department of Finance prepare an incoming brief addressing the following issues:

- A summary of the history of the PMRA – including its achievements and challenges to date
- Progress on key elements of Phase 3 of the Public Management Reform Agenda
- A summary of the forward plan for the Public Management Reform Agenda – including priority areas and key timeframes as appropriate.

Recommendation 2

To facilitate consideration of the 2016-17 Annual Reporting Rule, the Committee recommends that the Department of Finance include the following elements in their submission to the Committee:

- An update on progress to bringing forward and formally legislating earlier Annual Report delivery and tabling dates
- A detailed consideration of issues raised by other Parliamentary Committees, as forwarded to the Department of Finance by this Committee
- Consideration of proposals for change to the Annual Reporting Rule, including those stemming from the recommendations of the Belcher Review

